



Department of Justice

FOR IMMEDIATE RELEASE
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**HOUSTON COMPANY INDICTED ON BID RIGGING ON GROCERY
CONTRACTS TO PUBLIC SCHOOL DISTRICTS IN TEXAS**

WASHINGTON, D.C. -- A federal grand jury in Houston, today indicted a Houston grocery company for rigging bids on food sold to public school districts in southeastern Texas.

The company was also charged with making a false statement to a federal agency and conspiring to commit mail fraud, according to the Department of Justice's Antitrust Division.

The indictment charged that Glazier Foods Co. of Houston, participated in a conspiracy beginning in 1985 and continuing until May 1990, to rig bids on contracts to supply wholesale grocery products to public school districts in the southeastern Texas counties of Brazoria, Brazos, Fort Bend, Galveston, Harris, Matagorda, Montgomery, Walker and Waller.

A substantial portion of the funds used by the school districts to purchase these grocery products was provided by the Food and Nutrition Service, U.S. Department of Agriculture, through its Child Nutrition programs.

In addition, the indictment charged that in August 1989, Glazier knowingly submitted false statements on a bid to the

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Veterans Administration in Houston, on a frozen juice contract, certifying that the bid pricing was independently determined, when in fact an employee had discussed and agreed on the contract pricing with competitors before submitting the bid.

The indictment also charged that beginning in 1985 and continuing until May 1990, Glazier conspired with others to use the United States mail to defraud public school districts.

Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said the charges resulted from an investigation by a federal grand jury in Houston into alleged antitrust violations in the wholesale food industry in southeastern Texas.

The investigation is being conducted by the Antitrust Division's Dallas Field Office with the assistance of the U.S. Department of Agriculture, Office of Inspector General, Investigations, Southwest Region. The investigation is continuing, Bingaman said.

The three-count indictment was filed in U.S. District Court in Houston.

The maximum penalty for a corporation convicted under the Sherman Act for a violation occurring prior to November 16, 1990, is a fine of \$1 million, twice the pecuniary gain the corporation derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greatest.

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The maximum penalty, per count, for a corporation convicted of conspiring to commit mail fraud is a fine of \$500,000, twice the pecuniary gain derived from the crime, or twice the pecuniary loss caused to the victims of the crime, whichever is greatest.

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